

BUPA BUILDING SERVICES LIMITED

(Registered No. 2317091)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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BUPA BUILDING SERVICES LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2007

The directors present their directors' report and the audited financial statements for the year ended 31 December 2007

1 Principal activity

The principal activity of the company during the year was to provide short-term property leases on behalf of the BUPA group. During the year the company entered into operating lease obligations. All obligations arising from these have been and will continue to be met by other companies within the BUPA group.

2. Business Review

The company continued to trade well in 2007. The directors consider the development of the company during the year to be in line with plan for the year, and do not foresee any significant changes in the forthcoming year.

3 Results and dividends

The loss for the year, after taxation, amounted to £4,372 (2006 - £nil). No dividend is proposed for 2007 (2006 - £nil).

4. Directors

The names of persons who were directors at any time during the year are as follows:

J P Davies

R King

M A Ralf

N T Beazley

F D Gregory

Appointed 1 November 2007

B D J Kent

Resigned 1 November 2007

5 Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

6. Companies (Audit, Investigations and Community Enterprise) Act 2004

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by law and the company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company.

7 Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

8 Financial Reporting Standards

The ultimate parent undertaking has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

Registered Office

BUPA House
15 - 19 Bloomsbury Way
London
WC1A 2BA

1 May 2008

By Order of the Board



For and on behalf of
BUPA Secretaries Limited
Secretary

BUPA BUILDING SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

BUPA BUILDING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA BUILDING SERVICES LIMITED

We have audited the financial statements of BUPA Building Services Limited for the year ended 31 December 2007 which comprise the Profit and loss Account, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion, as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit M.

KPMG Audit Plc
Chartered Accountants
Registered Auditors

8 Salisbury Square
London EC4Y 8BB

1 May 2008

BUPA BUILDING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover		1,267,582	1,206,605
Operating costs		<u>(1,267,582)</u>	<u>(1,206,605)</u>
Operating result		-	-
Interest receivable and similar income	4	57,892	-
Interest payable and similar charges	5	<u>(64,137)</u>	-
Loss on ordinary activities before taxation		(6,245)	-
Tax credit on loss on ordinary activities	6	<u>1,873</u>	-
Loss for the financial year		<u><u>(4,372)</u></u>	<u><u>-</u></u>

The operating result is derived from continuing operations

There were no recognised gains and losses for the year

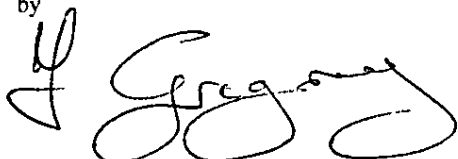
There were no material differences between the reported losses and the historical profit and losses on ordinary activities before and after taxation

The accounting policies and notes on pages 6 to 9 form part of these financial statements

BUPA BUILDING SERVICES LIMITED**BALANCE SHEET****As at 31 December 2007**

	<i>Note</i>	2007 £	2006 £
Current assets			
Debtors amounts falling due within one year	7	2,335,059	1,473,773
Cash at bank and in hand		<u>491,870</u>	<u>25,810</u>
		2,826,929	1,499,583
Creditors amounts falling due within one year	8	<u>(2,839,517)</u>	<u>(1,507,799)</u>
Net liabilities		<u>(12,588)</u>	<u>(8,216)</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		<u>(12,590)</u>	<u>(8,218)</u>
Equity shareholders' funds		<u>(12,588)</u>	<u>(8,216)</u>

These financial statements were approved by the Board of Directors on 1 May 2008 and were signed on its behalf by



F D Gregory
Director

The accounting policies and notes on pages 6 to 9 form part of these financial statements

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards under the historical cost accounting rules, and on a going concern basis in view of the letter of support from BUPA Investments Limited, which undertakes to provide such support as is necessary to enable the company to meet its liabilities as they fall due

As the company is a wholly owned subsidiary undertaking of The British United Provident Association Limited (BUPA), which is registered in England and Wales, it has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" (FRS8) and has therefore not disclosed separately transactions or balances with entities which form part of the BUPA group of companies

(b) Turnover

Turnover represents amounts invoiced in relation to services provided. Turnover is stated net of value added tax

(c) Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of BUPA, a company that prepares a consolidated cashflow statement for the BUPA Group

(d) Taxation

The charge for taxation is based on the result for the year and takes into account deferred tax

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exception

- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws

Trading losses surrendered to other Group subsidiary undertakings are made on a full payment basis

(e) Estimation techniques

The preparation of the accounts, as permitted by generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

BUPA BUILDING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 December 2007 - continued**2 AUDITORS' REMUNERATION**

	2007 £	2006 £
Fees for the audit of the company	<u>4,738</u>	<u>4,370</u>

Fees for the audit of the company represent the amount receivable by the company's auditors. The amount may not be borne by the company.

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of BUPA, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

3 STAFF COSTS AND DIRECTORS REMUNERATION

The company had no employees during the year (2006 nil) and consequently incurred no staff costs (2006 nil). No remuneration was paid to any of the directors for the year (2006 nil).

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Receivable from Group undertakings	<u>57,892</u>	<u>-</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Payable to Group undertakings	<u>64,137</u>	<u>-</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES**(i) Analysis of credit**

	2007 £	2006 £
<i>Current tax</i>		
UK corporation tax on loss of the year	<u>(1,873)</u>	<u>-</u>

The current tax credit for the year is equal to the standard rate of corporation tax in the UK of 30% (2006 30%).

	2007 £	2006 £
Loss on ordinary activities before tax	<u>(6,245)</u>	<u>-</u>
Tax credit on loss on ordinary activities at 30%	<u>(1,873)</u>	<u>-</u>

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2007

7. DEBTORS

	2007 £	2006 £
Amounts falling due within one year :		
Amounts owed by Group undertakings	<u>2,335,059</u>	<u>1,473,773</u>

8. CREDITORS

	2007 £	2006 £
Amounts falling due within one year		
Amounts owed to Group undertakings	<u>2,839,517</u>	<u>1,507,799</u>

9 OPERATING LEASE COMMITMENTS

	2007 Land and buildings £	2006 Land and buildings £
Operating leases that expire		
Within one year	15,498	40,437
Between one and five years	<u>985,042</u>	<u>985,042</u>
	<u>1,000,540</u>	<u>1,025,479</u>

The leases are short-term with an annual market rent payable and are therefore of a revenue rather than a capital nature

10 SHARE CAPITAL

	2007 £	2006 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. RESERVES

	Profit and loss account £
At 1 January 2007	(8,218)
Retained loss	(4,372)
At 31 December 2007	<u>(12,590)</u>

11 CONTINGENT LIABILITIES

The company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft of certain other Group undertakings

Under a Group registration the company is jointly and severally liable for value added tax due by certain other Group companies

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2007

12. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking is BUPA Limited, which is registered in England and Wales

The largest group in which the results of the company are consolidated is that headed by The British Provident Association Limited (BUPA), which is registered in England and Wales. The smallest group in which they are consolidated is that headed by BUPA Finance PLC, which is registered in England and Wales. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.